

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2002

	Month Ended 7/31/2002				Current	Prior Year	3 Years	5 Years
	Allocation				Fiscal YTD	FY02	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Net	Net	6/30/2002	6/30/2002
							Net	Net
LARGE CAP DOMESTIC EQUITY								
<i>Structured Growth</i>								
<i>AllianceBernstein</i>	95,836	2.1%	2.3%	-7.10%	-7.10%	-28.65%	-16.80%	N/A
<i>Russell 1000 Growth</i>				-5.50%	-5.50%	-26.49%	-16.15%	N/A
<i>Structured Value</i>								
<i>LSV</i>	108,775	2.4%	2.3%	-8.45%	-8.45%	2.41%	5.40%	N/A
<i>Russell 1000 Value</i>				-9.30%	-9.30%	-8.96%	-2.92%	N/A
<i>S&P 500 Index</i>								
<i>State Street</i>	459,877	10.0%	10.5%	-7.77%	-7.77%	-18.03%	-9.27%	3.58%
<i>S&P 500</i>				-7.80%	-7.80%	-17.99%	-9.18%	3.67%
TOTAL LARGE CAP DOMESTIC EQUITY	664,488	14.4%	15.0%	-7.79%	-7.79%	-16.89%	-8.30%	3.74%
<i>S&P 500</i>				-7.80%	-7.80%	-17.99%	-9.18%	3.67%
SMALL CAP DOMESTIC EQUITY								
<i>Manager-of-Managers</i>								
<i>SEI</i>	207,054	4.5%	5.0%	-13.68%	-13.68%	-12.92%	N/A	N/A
<i>Russell 2000 + 200bp</i>				-14.93%	-14.93%	-7.96%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	207,054	4.5%	5.0%	-13.68%	-13.68%	-12.92%	1.75%	4.02%
<i>Russell 2000</i>				-15.10%	-15.10%	-8.59%	1.67%	4.44%
CONVERTIBLES								
<i>TCW</i>	444,712	9.6%	10.0%	-7.22%	-7.22%	-20.37%	-2.22%	N/A
<i>First Boston Convertible Index</i>				-6.25%	-6.25%	-12.44%	0.11%	N/A
INTERNATIONAL EQUITY								
<i>Large Cap - Active</i>								
<i>Capital Guardian</i>	430,679	9.3%	10.0%	-10.19%	-10.19%	-12.10%	-2.96%	2.87%
<i>MSCI EAFE - 50% Hedged</i>				-10.04%	-10.04%	-14.62%	-7.32%	-1.89%
DOMESTIC FIXED INCOME								
<i>Core Bond</i>								
<i>Western Asset</i>	1,240,757	26.9%	25.0%	-0.21%	-0.21%	8.36%	8.53%	7.80%
<i>Lehman Aggregate</i>				1.21%	1.21%	8.62%	8.10%	7.57%
<i>Index</i>								
<i>Bank of ND</i>	666,968	14.4%	15.0%	1.32%	1.32%	8.38%	7.79%	7.42%
<i>Bank of ND CD'S</i>	-	0.0%	0.0%	N/A	0.29%	5.04%	5.55%	5.48%
Total Index	666,968	14.4%	15.0%	1.32%	1.22%	8.14%	7.66%	7.30%
<i>Lehman Gov/Corp</i>				1.20%	1.20%	8.24%	7.86%	7.47%
<i>BBB Average Quality</i>								
Strong	485,266	10.5%	10.0%	-1.70%	-1.70%	N/A	N/A	N/A
<i>Lehman US Credit BAA</i>				-2.23%	-2.23%	N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	2,392,991	51.8%	50.0%	-0.08%	-0.07%	7.55%	7.88%	7.42%
<i>Lehman Aggregate</i>				1.21%	1.21%	8.24%	7.86%	7.47%
CASH EQUIVALENTS								
<i>Bank of ND</i>	477,931	10.3%	10.0%	0.16%	0.16%	2.41%	4.76%	4.99%
<i>90 Day T-Bill</i>				0.15%	0.15%	2.63%	4.68%	4.84%
TOTAL BONDING FUND	4,617,855	100.00%	100.00%	-3.47%	-3.47%	-2.79%	2.90%	6.21%
<i>POLICY TARGET BENCHMARK</i>				-2.93%	-2.93%	-1.42%	2.75%	5.72%

NOTE: Monthly returns and market values are preliminary and subject to change.